

In the Matter of: )  
 )  
Kings River Conservation ) Docket No.  
District (Kings River) Project ) 03-SPPE-02  
\_\_\_\_\_ )

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMISSIONERS PRESENT

James D. Boyd, Presiding Member

Williams J. Keese, Chairman

HEARING OFFICER AND ADVISERS PRESENT

Major Williams, Jr., Hearing Officer

Rick Buckingham

Michael Smith

STAFF and CONSULTANTS PRESENT

Lisa DeCarlo, Staff Counsel

Jack Caswell, Project Manager

Tony Mediatì

Ila Lewis

Brewster Birdsall, Consultant

PUBLIC ADVISER

Margret Kim

Mike Monasmith

APPLICANT

Edward J. Tiedemann, Attorney  
Kronick, Moskovitz, Tiedemann and Girard

Jack Sinor, Assistant General Manager  
Cristel L. Tufenkjian, Public Affairs Officer  
Scott Redeles, Director of Resources  
Patrick Campbell, System Engineer  
Jeff Halstead, Chief, Environmental Division  
Kings River Conservation District (KRCD)

APPLICANT

Paul Maxwell, Project Manager  
Navigant Consulting

Amy Cuellar, SPPE Application  
Consultant

Max Walenciak, Project Engineer  
Consultant

Thor Hibeler, Air Quality  
Consultant

INTERVENORS

California Unions for Reliable Energy (CURE)  
no appearance

ALSO PRESENT

Robert Sarvey

Dave Noble  
General Crane Service

Greg Austin, Industrial Contractor  
TCB Industrial

Florence Valdez, Board Chairman  
Matt Blancas, Board Vice Chairman  
Malaga Water District

Anthony Valdez

Dale Fredericks

DG Power

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## P R O C E E D I N G S

1:55 p.m.

HEARING OFFICER WILLIAMS: Good

afternoon. This is an informational hearing conducted by a Committee of the California Energy Commission on Kings River Conservation District Peaking Plant, SPPE project. The Energy Commission has assigned a Committee of two Commissioners to conduct these proceedings. And I would introduce the Committee and their Advisers to you.

To my left is the Presiding Commissioner James D. Boyd. And to my right is the Associate Commissioner Chairman William J. Keese. Their Advisers, again to my left, are Mike Smith and to my right, Rick Buckingham. I am the Hearing Officer Major Williams, Jr.

The applicant, would you care to introduce yourself and any other of your cohorts here.

MR. SINOR: Okay.

HEARING OFFICER WILLIAMS: Feel free to do so.

(Laughter.)

MR. SINOR: I'm Jack Sinor, Assistant

1 General Manager --

2 PRESIDING MEMBER BOYD: Jack, excuse me,  
3 we've got to find a microphone for you.

4 HEARING OFFICER WILLIAMS: Just grab  
5 that one on the end there.

6 MR. SINOR: I'm Jack Sinor, General  
7 Manager for the Kings River Conservation District.  
8 And staff that I have with me today include our  
9 Director of Resources, Scott Redeles; System  
10 Engineer Patrick Campbell. And I have our  
11 consultants with us, Navigant Consulting, Paul  
12 Maxwell, Project Manager. Amy Cuellar, who is  
13 heading up the SPPE application. Max Walenciak,  
14 who is --

15 HEARING OFFICER WILLIAMS: Could you all  
16 stand, please, just so we can see who you are?

17 MR. SINOR: -- Project Engineer; and  
18 Thor Hibeler, who is handling our air quality  
19 issues on the project.

20 HEARING OFFICER WILLIAMS: Thank you.

21 MR. SINOR: Oh, I'm sorry, I've got Jeff  
22 Halstead with our staff. He's Chief of our  
23 Environmental Division, is also here.

24 HEARING OFFICER WILLIAMS: Thank you.  
25 Staff?

1 MR. CASWELL: I'm Jack Caswell, Project  
2 Manager for the California Energy Commission.  
3 With me today, Lisa DeCarlo, Staff Attorney. We  
4 also have members of the staff here, as well as  
5 Public Adviser. Tony Mediati is with us here for  
6 the workshop following this informational hearing.  
7 And Brewster Birdsall, technical staff contractor  
8 for air quality. These are two issues that are in  
9 our issue identification. We also have Ila Lewis  
10 who is in our compliance section.

11 HEARING OFFICER WILLIAMS: Where is she?  
12 Oh, okay.

13 Public Adviser.

14 MS. KIM: I think he's already  
15 introduced me, but I'm the Public Adviser for the  
16 Energy Commission. I'm here with my Associate  
17 Public Adviser, Mike Monasmith.

18 HEARING OFFICER WILLIAMS: These are the  
19 folks that for members of the public particularly,  
20 if you have any questions about our process,  
21 Margret and Mike are good people to know. So feel  
22 free to approach them anytime if you have any  
23 questions about our process.

24 To date the Committee has granted a  
25 petition to intervene in this matter filed by the

1 California Unions for Reliable Energy or CURE.

2 Again, those wishing to intervene in these  
3 proceedings should speak with the Commission's  
4 Public Adviser, Margret Kim or Mike. They are  
5 present and they have introduced themselves.

6 The Committee is unaware of any other  
7 pending petitions to intervene, although I do see  
8 Mr. Robert Sarvey here, who has previously  
9 intervened in other cases. So I take it that  
10 he'll be participating, is that correct, Bob? Are  
11 you planning to intervene or --

12 MR. SARVEY: Just right now I'm here for  
13 the informational hearings.

14 HEARING OFFICER WILLIAMS: Okay.

15 PRESIDING MEMBER BOYD: So you're public  
16 today?

17 MR. SARVEY: I'm public today.

18 HEARING OFFICER WILLIAMS: In a  
19 proceeding such as this that is contemplated to  
20 take only four months, it is important for those  
21 who wish to intervene to do so promptly to avoid  
22 any risk of prejudice.

23 Are there other members of the public  
24 here who would like to stand up and introduce  
25 themselves to the Committee?



1 MR. NOBLE: Dave Noble with General  
2 Crane Service. We're just on the property down  
3 the street from the site.

4 HEARING OFFICER WILLIAMS: Thank you,  
5 sir.

6 MR. AUSTIN: I'm Greg Austin, TCB  
7 Industrial; local contractor looking to support  
8 the project as far as local hiring and contractors  
9 work.

10 HEARING OFFICER WILLIAMS: Thank you.  
11 Well, feel free to pop up and ask questions during  
12 the process if you have any. We will certainly  
13 entertain those. And you're welcome to  
14 participate.

15 Anyone else?

16 Just a little background before the  
17 major players get involved. This informational  
18 hearing is the first public event conducted by the  
19 Committee as part of the Energy Commission's SPPE  
20 proceedings on the Kings River project.

21 Notice of today's hearing was posted on  
22 the Commission's website, and sent to all parties,  
23 adjoining landowners, interested governmental  
24 agencies, and other individuals on January 9,  
25 2004.

1           In addition, notice of today's event was  
2           published in the local newspaper, The Fresno Bee,  
3           on January 19, 2004.

4           Documents pertinent to today's hearing  
5           include staff's issues identification report filed  
6           on January 12, 2004; and applicant's and staff's  
7           proposed schedule. I take it, Mr. Sinor, that  
8           you're in agreement with staff's proposed schedule  
9           in the --

10          MR. SINOR: Yes.

11          HEARING OFFICER WILLIAMS: -- in the  
12          issues identification report? So, those who are  
13          interested in what's contemplated in terms of the  
14          project schedule should take a look at that  
15          proposed schedule which is contained in staff's  
16          issues identification report.

17          The purpose of today's hearing is to  
18          provide a public forum to discuss the proposed  
19          Kings River Project described in the Energy  
20          Commission's review process, and identify the  
21          opportunities for public participation in this  
22          process.

23          Today's events are the first in a series  
24          of Commission-sponsored events which will extend  
25          over the next four months, or the next few months.

1           The Commissioners conducting this  
2           proceeding will eventually issue a proposed  
3           decision containing their recommendation on  
4           whether the proposed project should be exempted  
5           from the state's normal licensing process.

6           For this project to qualify for a small  
7           power plant exemption the Commission must find  
8           that no substantial adverse impact upon the  
9           environment or energy resources will result from  
10          construction or operation of the proposed power  
11          plant.

12          In other words, in this SPPE process the  
13          Commission does not determine whether to license  
14          the proposed project, but rather determines  
15          whether or under what conditions to exempt the  
16          project from our licensing procedure. If an  
17          exemption is granted applicant will need to secure  
18          appropriate licenses and permits from various  
19          local, state and federal agencies.

20          Also, there was a recent proposed small  
21          power plant exemption decision involving the  
22          Modesto Irrigation District. I bring this to your  
23          attention because the Committee will reach a  
24          decision on the exemption by applying the fair  
25          argument standard as the Commission recently

1 enumerated in the Modesto Irrigation District  
2 matter.

3 Do the parties agree and understand how  
4 the Commission has applied the fair argument  
5 standard?

6 (Laughter.)

7 HEARING OFFICER WILLIAMS: Okay,

8 MS. DeCARLO: Yes, staff understands how  
9 that fair argument standard is applied.

10 HEARING OFFICER WILLIAMS: Okay. Mr.  
11 Sinor, do you have any questions about that?

12 MR. SINOR: No.

13 HEARING OFFICER WILLIAMS: Okay. During  
14 the course of today's hearing we will proceed in  
15 the following manner. Commission Staff will  
16 provide an overview of the Commission's small  
17 power plant exemption process and its role in  
18 assessing the proposed Kings River project.

19 Ms. Kim, the Commission's Public  
20 Adviser, will then briefly explain how to obtain  
21 the information about it and participate in the  
22 exemption process.

23 Applicant will describe the proposed  
24 project and explain its plans for developing the  
25 project site.

1           Upon completion of these presentations  
2       other parties, interested agencies and members of  
3       the public may ask questions or offer comments.

4           Following these presentations we will  
5       turn to a discussion of scheduling and other  
6       matters addressed in the issue identification  
7       report, and proposed schedules.

8           The SPPE review incorporates  
9       requirements equivalent to those used for an  
10      initial study under the California Environmental  
11      Quality Act, and examines relevant engineering and  
12      environmental aspects of the proposed project.

13          In our process every meeting, workshop,  
14      hearing or other event sponsored by the Commission  
15      must be noticed and open to the public, and must  
16      allow the public to comment and participate.

17          After our hearing today staff will be  
18      sponsoring a workshop on the project, as well. So  
19      if anyone wants to stick around to learn more  
20      about the project, you're welcome to do so.

21          So you'll definitely have many  
22      opportunities to make your points of view known  
23      and to comment upon the proposed project. These  
24      rights, however, also mean that, as Ms. Kim will  
25      explain, you will necessarily assume the burden

1       that accompanies participation.

2               Finally, you can expect that all  
3       decisions made in this case, including whatever  
4       our final recommendations are, will be made solely  
5       based on the public record. To insure that this  
6       happens and to preserve the integrity of the  
7       Commission's process, Commission regulations and  
8       California Administrative Procedure Act expressly  
9       prohibit off-the-record contacts concerning  
10      substantive matters between the participants in  
11      this proceeding and the Commissioners, Advisers  
12      and the Hearing Officer. This is known as the ex  
13      parte rule.

14              This means that all contacts between the  
15      parties to this proceeding and Commissioners Boyd  
16      and Keese and their staffs concerning a  
17      substantive matter must occur in the context of a  
18      public discussion, such as will occur today. Or  
19      in the form of a written communication which is  
20      distributed to all parties.

21              The purpose of this rule is to provide  
22      full disclosure to all participants of all  
23      information which may be used as a basis for the  
24      future decision.

25              Okay, with that said, we can begin with

1 the presentations. I think in the interests of  
2 time it would be helpful if you could hold your  
3 questions and comments until the end of the  
4 presentations. Staff.

5 MR. CASWELL: I've got a slide  
6 presentation on the SPPE process here at the  
7 Energy Commission. And in this slide it also  
8 identifies the issues that were published in the  
9 issues identification report.

10 I can tell you right now that -- let me  
11 see if I can get this going here --

12 (Pause.)

13 MR. CASWELL: Okay. I have hard copies  
14 of this issues identification report out here on  
15 the desk if you're interested in looking at those.  
16 Also, if you contact me if you need an electronic  
17 copy I can send that to you. As well as there are  
18 hard copies of the slide show out here. So if you  
19 can't see the information or you don't have a pen  
20 to write down the numbers for the contacts on  
21 this, just get ahold of me and there's copies of  
22 that, as well. I can also hand out business cards  
23 if you're interested after this.

24 With that I'll start this slide show.  
25 Again, we're here for the Kings River Conservation

1 District peaking power plant application for a  
2 small power plant exemption. Which means we're  
3 not going to issue a license. The Committee will  
4 not issue a license. However, they will issue a  
5 decision on whether or not this project meets the  
6 criteria based on staff's analysis, input from the  
7 public, the applicant and intervenors.

8 Right now the Energy Commission's  
9 permitting authority is thermal power plants 50  
10 megawatts or greater and related facilities  
11 directly associated with that project. And  
12 there's a list of those related facilities.

13 The Energy Commission may exempt thermal  
14 power plants from the certification process if it  
15 finds the project is less than 100 megawatts, the  
16 project has no unmitigated adverse impacts on the  
17 environment, and the project has no unmitigated  
18 adverse impacts on energy resources.

19 The Energy Commission is the lead agency  
20 under the California Environmental Quality Act,  
21 CEQA, and will prepare an initial study and final  
22 decision in this process. The SPPE process is an  
23 exemption, not a permit or a license to build the  
24 project.

25 Kings River Conservation District peaker



1 plant will apply for the appropriate licenses and  
2 permits from local, state and federal agencies.  
3 Local, state and federal agencies will use the  
4 Energy Commission's CEQA document when issuing the  
5 respective permits.

6 The CEQA evaluation process. Energy  
7 Commission Staff will prepare that initial study,  
8 which is in the process right now. We're actually  
9 going to issue a draft initial study and hold a  
10 workshop on that. And that will be published and  
11 will give everybody an opportunity to make comment  
12 on this initial study prior to its finalization by  
13 staff.

14 Again this is a document, it is a staff  
15 document, it is not a Committee decision. It is  
16 not part of -- influenced by the Committee. It's  
17 just our opinion. And we work to draw conclusions  
18 on that opinion, working with the applicant and  
19 the public and the intervenors, again, to come up  
20 with this document.

21 And then we have a documentation that's  
22 associated with this process. And then draft  
23 initial study, final study, Presiding Member's  
24 Proposed Decision's which is provided by the  
25 Committee, and then the Commission decision.

1           We work closely with local, state and  
2       federal agencies. For example, here these are  
3       examples of the people that we've sent copies of  
4       not only the application to, but other documents,  
5       such as data requests, timeframes -- we give them  
6       a call and say, how could you -- you know, is this  
7       going to interfere with any of your schedules if  
8       you'd like to participate in our process. And we  
9       try to work with everybody on this list to make  
10      sure that they have an opportunity to attend all  
11      these workshops, staff-held workshops.

12           The Commission contacts. Now this is a  
13      little different slide in here. I changed this  
14      from another one that I got some complaints, it  
15      was too small, too much stuff. But I still have a  
16      lot of things on this. There's a hard copy here.

17           As you see, the Committee assigned to  
18      this project is James D. Boyd, Commissioner, and  
19      he is the Presiding Member on this Committee.  
20      William J. Keese; he is the Chairman of the Energy  
21      Commission and he is the Associate Member on this  
22      particular case.

23           For the Energy Commission Staff there's  
24      myself and Lisa DeCarlo. And there's my phone  
25      number and email address, and the webpage where

1 you will find information about this project. It  
2 was brought to my attention here earlier that  
3 there's a couple of documents that have not made  
4 it to the webpage, although it was indicated to me  
5 that they were from the webmaster. And I will  
6 check on that and make sure that all these  
7 documents are there.

8 Major Williams, here is his phone number  
9 and his email address. And Margret Kim, Public  
10 Adviser, her phone numbers and email address, as  
11 well. And, again, you've got a hard copy of that  
12 so you may not have to write those down.

13 Staff issues identification report.  
14 That's this document I'm holding in my hand. It's  
15 a very small issues identification report; and it  
16 had minimal subject matter in it. It had air  
17 quality and water, and I'll get to that in a  
18 minute.

19 The purpose of the staff issues  
20 identification report is to inform participants of  
21 potential issues early focus, and it's not just  
22 limited to the issues that I've written in here.  
23 You may disagree, as a public member or an  
24 intervenor, that there is something else going on  
25 here; as well as the applicant may think that, no,

1       you didn't capture all the issues here. And  
2       that's fine. We're not limiting that. It's just  
3       purely what staff has identified as potential  
4       issues.

5               The criteria for that is the  
6       environmental checklist form, and you'll see that  
7       in our draft initial study when it's published.  
8       Potential impacts on the environment or energy  
9       resources may occur. And these are things that  
10      are the flags that jump up in this issues  
11      identification report.

12             Potential issue areas for this are air  
13      quality, as I said; hydrology and water quality.  
14      In a standard process it's called water resources.  
15      We have hydrology in the SPPE, slightly different.

16             The potential issues in air quality were  
17      the adequacy of proposed mitigation emission  
18      offset credits, ERCs; best available control  
19      technology, BACT; and the data responses, it says,  
20      will provide additional information needed to  
21      reach a final conclusion on the potential for  
22      significant impacts.

23             Well, we have had responses in air.  
24      We'll discuss this further in the workshop. But  
25      they weren't as complete as staff would have liked

1       them to be, so there are still unanswered  
2       questions related to air quality at this time.  
3       And, again, we won't waste any time here, but at  
4       the workshop, if you're interested.

5               Hydrology and water quality potential  
6       issues. Impacts on an over-drafted water district  
7       or basin, actually. Provide mitigation for water  
8       impacts by the project. And, again, the data  
9       responses should handle that. And it's my  
10      understanding that at this point as we're  
11      developing the draft initial study that those  
12      issues have been addressed appropriately for  
13      staff. But if you'd like to ask some questions,  
14      we have a technical staff member and the author of  
15      that draft initial study here that can answer any  
16      of those questions that you may have.

17             Here is my proposed schedule, staff's  
18      proposed schedule, I should say. And I've  
19      discussed this with the applicant, based on their  
20      ability to respond to questions at workshops and  
21      their workload. I've contacted other agencies  
22      about what we're trying to do here and the  
23      regulations say that, you know, we're supposed to  
24      do it within a certain number of days. And the  
25      bottomline was we're actually a little bit beyond

1       that.

2               And the reason for that is, and the  
3       applicant agreed, that we had -- this was filed  
4       Thanksgiving, and then we had Christmas, and then  
5       we have several holidays here that really can  
6       impact the schedule. And we're trying to be as  
7       realistic and hit these dates to the best of our  
8       ability.

9               So we have programmed in those holidays  
10       and it's reflected in this schedule. And, again,  
11       that's on that hard copy of the slide show, as  
12       well as the last page of the issues identification  
13       report. And if you do still need that, get ahold  
14       of me, I can send it to you electronically.

15              And I believe that's it. Thanks.

16              HEARING OFFICER WILLIAMS: Thank you,  
17       staff. Okay, we'll have the Public Adviser's  
18       presentation now.

19              MS. KIM: I don't have a slide show, so  
20       I can use this, I suppose, this mike. I have a  
21       couple of handouts. One is on acronyms and  
22       definitions, just rather simple ones for this  
23       hearing. And the other one is called where and  
24       how to get information on this proceeding.

25              I know with the wonderful presentation

1 given by Jack, and soon you're going to hear from  
2 the applicant, you may feel that you're going to  
3 have an informational overload. So I will be  
4 brief. But what I'm about to tell you is probably  
5 one of the most important things for you to  
6 remember and take home with, or back to your  
7 community.

8 And they are, one, what I do and how I  
9 can help you. And, two, how you can participate.

10 How many of you have participated in the  
11 SPPE or power plant siting process before? Not  
12 the Commissioners, but members of the public.

13 (Laughter.)

14 MS. KIM: Well, for those of you who  
15 have never, this is a first for me, also, so  
16 you're not alone. But rest assured that you're in  
17 good hands. And I'll be giving you my undivided  
18 attention.

19 So what do I do? What is the role of  
20 the Public Adviser in the proceeding? I'm an  
21 attorney appointed by the Governor to the  
22 Commission to advise both the Commission, as well  
23 as the members of the public, on public  
24 involvement. Which means it is my job to make  
25 sure that the public is given the opportunity to

1        meaningfully and fully participate in our  
2        proceedings.

3                The definition of the public is rather  
4        broad. It includes not only individual citizens,  
5        but organizations, companies, as well as other  
6        governmental agencies. So I cannot represent you  
7        as your lawyer, but I am indeed an advocate for  
8        the process.

9                So how can I help you? I will be  
10       guiding you through the legal process to make sure  
11       that your voice will be heard. You may be  
12       wondering why the Energy Commission is so adamant  
13       they want to make sure that the public is given  
14       the opportunity to provide their input. The  
15       answer is rather simple. We make better decisions  
16       that way, because we'll be better informed.

17               Moving on to the second item, how can  
18       you participate. Some of you may be wondering,  
19       well, does it make any difference whether I  
20       participate. Will I ever be able to influence the  
21       outcome. And the answer is yes, you can.

22               There are two ways. One, you can  
23       provide public comment as a member of the public.  
24       And the second is you can intervene and become a  
25       party. And I'm going to go into details as to



1       what they are.

2               As a public member, you have the right  
3       to participate and provide public comment from the  
4       very beginning, like now, up until the time when  
5       the Commission is going to be making a decision.  
6       But, of course, we encourage you to get involved  
7       early on because it's not going to be too helpful  
8       if you show up at the final hearing and raise your  
9       issues.

10              When you make public comment they will  
11       be docketed, which means it will become part of  
12       the administrative record. And when you show up  
13       at any hearing and you provide either oral or  
14       written comment, they will be included in the  
15       hearing record if it's admitted.

16              The bottomline is when you make your  
17       public comment your public comment will be  
18       considered and it will be able to support or  
19       explain the decision by the Commission.

20              On the other hand, becoming an  
21       intervenor is slightly different. You file a  
22       petition to intervene. And it comes with rights  
23       and obligations. The right is that you are going  
24       to be able to offer evidence, provide testimony  
25       and exhibits. And these are taken under oath.

1 And the decision, itself, must be based on the  
2 parties' evidence. So you, as a party, as an  
3 intervenor, whatever you provide, if it's admitted  
4 into the evidentiary record, then it will -- it  
5 can be based, and it will be based on that  
6 evidence.

7 So the difference between the public  
8 comment and intervenor is with the public comment  
9 it can support or explain the decision, but the  
10 testimony that you provide and the exhibits, it  
11 can be based on -- the decision itself must be  
12 based on the parties' evidence.

13 And if you're confused with this, you  
14 can always bug me any time.

15 And the obligations and duties that come  
16 with your obligation as a party to provide  
17 information. You will be subject to cross-  
18 examination. And you'll have to comply with what  
19 is called filing and service. And, of course,  
20 unless you petition for financial hardship, then  
21 the CEC, the Commission, will take over the copies  
22 and the filing and serving responsibility.

23 So, how can you intervene and when  
24 should you intervene. You intervene by filing a  
25 petition. And when you intervene hopefully you'll

1       intervene sooner the better, if you decide to;  
2       but, usually the cutoff is the prehearing  
3       conference.

4               And that basically concludes my brief  
5       presentation. And if you have any questions do  
6       feel free to ask me any questions.

7               HEARING OFFICER WILLIAMS: Thank you,  
8       Margret.

9               Okay. I did see some folks who came in  
10       while the Public Adviser was speaking. Would you  
11       all like to stand up and identify yourselves?

12              MS. VALDEZ: Yes, I'm Florence Valdez  
13       with the Malaga County Water District. I'm  
14       Chairman of the Board.

15              HEARING OFFICER WILLIAMS: Pleasure.  
16       Sir.

17              MR. BLANCAS: Matt Blancas. I'm Vice  
18       Chairman of Malaga Water District.

19              MR. VALDEZ: I'm Anthony Valdez, a  
20       resident of Malaga.

21              HEARING OFFICER WILLIAMS: Okay. Well,  
22       we have gotten through the basic introductions by  
23       staff and our Public Adviser. And we're going to  
24       move now to the applicant who is going to talk  
25       about the project.

1           So, after the applicant's presentation  
2   if you have any questions at anytime just let us  
3   know, and we will try to address them. Okay?

4           MS. VALDEZ: Okay, (inaudible) --

5           HEARING OFFICER WILLIAMS: Okay.  
6   Applicant.

7           MR. SINOR: I'm stuck over here.

8           HEARING OFFICER WILLIAMS: Okay.

9           MR. SINOR: Okay, I do have a PowerPoint  
10   show. I'll have to get a technician up here to  
11   help me.

12           (Off the record - power failure.)

13           HEARING OFFICER WILLIAMS: By the way,  
14   these transcripts are placed on the internet, as  
15   well. So, if you want to see the written  
16   transcript, you can check the internet.

17           MR. SINOR: Again, to reintroduce  
18   myself, I'm Jack Sinor, Assistant General Manager  
19   for the Kings River Conservation District. And  
20   during my introductions I failed to introduce two  
21   other people of our staff. One is Cristel  
22   Tufenkjian; she's the one with the camera and  
23   really set up the site visit and the meeting,  
24   assisting the Commission. And also our District  
25   Counsel, Ed Tiedemann, who is here with us also.

1           To move on, and I thought first of all  
2   to introduce a little bit of who the Kings River  
3   Conservation District is, both to the Committee  
4   and to the public and staff, we're a public  
5   agency. Our mission overall is to provide flood  
6   protection, achieve a balance in high quality  
7   water supply and develop power resources on the  
8   Kings River for the public good.

9           We were created in 1951 through a  
10  special act of the California Legislature, the  
11  Kings River Conservation District Act. And we're  
12  a multi-county special district public agency.  
13  And we manage the water resources on the lower  
14  Kings River and cover an area of about 1.2 million  
15  acres in portions of Fresno, Kings and Tulare  
16  Counties.

17          Our watershed, as you can see, we cover  
18  what you see in white there is a depiction of  
19  Fresno County. The area down with the numbered  
20  divisions, we include six divisions within the  
21  three counties. And then also the green area to  
22  the right there is the Kings River watershed. The  
23  area in blue shown on the map is the Pine Flat  
24  Reservoir, the major reservoir on the Kings River.

25          All together we include within our

1 service area about 960,000 acres of farmland; 14  
2 incorporated cities, including Fresno and Clovis;  
3 and there are 11 unincorporated towns within our  
4 District.

5 Of our three areas the water resources  
6 management, we strive to protect our precious  
7 resource, the Kings River. We do that through  
8 responsibilities on flood protection. We operate  
9 and maintain over 150 miles of levees on the lower  
10 Kings River.

11 We have extensive groundwater management  
12 programs that we implement. We're also highly  
13 involved in water quality issues within the area.  
14 And we offer an on-farm program to advise users,  
15 ag users in our area, of irrigation techniques and  
16 pump tests on their wells.

17 We also have had a long history of  
18 environmental stewardship on the Kings River.  
19 Recently we completed construction of the turbine  
20 bypass up at Pine Flat Dam for the purpose of  
21 temperature management on the lower Kings River  
22 for the trout fishery.

23 We are heavily involved with the local  
24 water users, the Kings River Water Association,  
25 and the California Department of Fish and Game in

1 a fisheries management program, one of the  
2 foremost of its kind in the state, to manage the  
3 fishery and environmental resources along the  
4 Kings.

5 And thirdly, we're involved in what we  
6 call KRCD Power. The objectives of KRCD Power are  
7 to improve the reliability of the electrical  
8 service, stabilize cost volatility and establish  
9 local involvement here in our area.

10 To do that we have in operation, we own  
11 and operate a 165 megawatt hydroelectric facility  
12 currently up at Pine Flat Dam. The District  
13 received a FERC license for that project back in  
14 1979, and have operated it successfully for the  
15 last going on 20 years.

16 All the output from that project is sold  
17 under a long-term contract to the California  
18 Department of Water Resources for utilization on  
19 the State Water Project. And we are recently, in  
20 the last couple of years, been looking into a  
21 program to provide -- implement a community choice  
22 aggregation in our area.

23 Now, with respect to the peaking  
24 project, we are currently under contract with the  
25 State of California to construct a peaking plant

1       that can provide a capacity of actually 97  
2       megawatts. We believe the plant could add a  
3       reliable power supply to an area that has a  
4       shortage of power generation. A plant this size  
5       could provide approximately service to 95,000  
6       homes during the time of hottest and coldest days  
7       of the year.

8               And as we're here today we filed an  
9       application for a small power plant exemption.  
10      And we, right now, our current schedule, based on  
11      the schedule that Jack indicated earlier, on  
12      completion of this process, along with the air  
13      quality permit that we have applied for, we are  
14      currently in final design and about to go out for  
15      bids on construction, with an anticipated close of  
16      finance sometime mid summer, with construction  
17      starting hopefully it would be late July. With  
18      completion now scheduled in March of 2005.

19             The date of 2005 has been moved from an  
20      earlier date of December, and that primarily  
21      relates to the schedule that PG&E needs in order  
22      to build the transmission line that will  
23      interconnect the project to their substation.

24             The objectives, again we believe to  
25      utilize these turbine generators that were



1 provided to the District from the State of  
2 California under the settlement agreement that  
3 occurred in California late last year, actually  
4 late 2002. We believe it will add peaking  
5 generation in the areas of the state with the  
6 greatest demand, the Fresno area being one of  
7 those areas. We believe it will improve the local  
8 reliability of the electric grid in this greater  
9 Fresno area. It establishes local involvement in  
10 the generation and delivery of electricity. And  
11 it will continue our role as a developer of  
12 electric generation for our service area.

13 Now, to get to some specific  
14 information, and again I refer you to the  
15 Commission's website. We have filed a detailed  
16 application. It's on the website available to be  
17 downloaded, the entire application.

18 I think for purposes of today I'm just  
19 going to highlight some of the key elements. It's  
20 a 97 megawatt natural gas fired peaking plant. It  
21 will utilize the most efficient turbines. They're  
22 both LM6000 generation units.

23 And currently under our contract with  
24 DWR they have required that we operate at about  
25 2500 hours a year. They will have total control

1 of dispatch for the plant.

2 And the project site, as we visited  
3 earlier today, and I have maps here behind us for  
4 those who did not make the site visit. It's  
5 located in an industrial area near the community  
6 of Malaga.

7 Fuel for the facility will be supplied  
8 by PG&E through a new 700-foot interconnection to  
9 existing gas system out along North Avenue.  
10 Electric transmission interconnection is a short  
11 transmission -- actually a little less than three-  
12 quarters of a mile -- a single, 100 kV  
13 transmission line that will connect the site down  
14 to the Malaga substation.

15 Water for the power plant use and  
16 domestic supply will be provided by the Malaga  
17 County Water District. I'm glad to see you folks  
18 made it today. We have talked to them several  
19 times and worked with their engineer on the best  
20 means to get a water supply for the project.

21 As I pointed out on the site visit, the  
22 turbines and generators are already located in  
23 storage on adjacent property. We had those moved  
24 out from Houston last April.

25 And currently, as I said earlier, we

1 start construction in July, late July. We're  
2 looking at approximately a six-month construction  
3 schedule.

4 Again this highlights, and I apologize,  
5 I didn't bring my laser -- this same drawing is  
6 over on the easel in the back -- this basically  
7 shows the site, a total of about 18 acres. We're  
8 using the back five acres of the project site. An  
9 access road will come in off of North Avenue south  
10 into the site, along with the gas and water  
11 supplies.

12 We had looked at a potential water  
13 connection here, but our discussion with Malaga  
14 indicate they would prefer us come down along the  
15 frontage along the property along North Avenue.  
16 So we have elected to proceed in that manner.

17 The interconnection would leave the site  
18 and go along the east property line to North  
19 Avenue and then down North Avenue to the Malaga  
20 substation. Again, the details are shown here if  
21 you want to get a closer look after the meeting.

22 Environmental considerations. I think  
23 we fully explored all those issues in our  
24 application and we provided subsequent data  
25 requests to the Commission Staff. We believe that

1 the development of the plant is an acceptable use  
2 of this location. It fits the existing zoning and  
3 land use out in the area. More importantly, the  
4 project linears are very short in length and most  
5 are located in existing road rights-of-way, along  
6 public rights-of-way.

7 We feel there have been no significant  
8 environmental impacts identified. Emission  
9 reduction credits we have in the process, and  
10 we'll discuss that in more length today in the  
11 workshop. Secured all the necessary ERCs for the  
12 project, either purchased outright or have under  
13 option agreements.

14 Surface water runoff in the Kings, as  
15 Jack mentioned, will be used to recharge the over-  
16 drafted groundwater basin. We have been a lead  
17 agency in this area of addressing that problem  
18 over the last many years.

19 Also the operation of the peaking plant  
20 will result in less than a one decibel increase in  
21 noise level along the nearest residence, along  
22 Chestnut Avenue.

23 We have also prepared, are in the  
24 process of submitting, I believe, to the  
25 Commission Staff, a proposed landscape plan to

1 shield the plant from public view and blend in  
2 with the surrounding area. We believe there is no  
3 impact to biological or historical resources in  
4 the area. And also no long-term increases in  
5 traffic volumes on local roadways.

6 And just to give you an idea of some  
7 visuals. Again, two of them I have mounted here  
8 on easels. These give a -- the top picture is  
9 before, and the bottom picture shows the computer-  
10 enhanced visual image of what the plant will look  
11 like after construction.

12 In this particular photograph you're  
13 looking south on Chestnut Avenue. This area, you  
14 can pick out the plant located here, the two  
15 stacks. So not much of a visual change in the  
16 area there.

17 Also in the next slide, this is looking  
18 east along North Avenue. Again, the top shows  
19 just a view of the property in the back. And then  
20 the bottom shows the plant situated on the back  
21 five acres. And then finally, the shot along the  
22 Central Canal looking southwest; again the plant  
23 depicting along the transmission line coming along  
24 the easterly property line out to the right  
25 towards North Avenue.

1           And this picture actually is looking  
2       down North Avenue past Chestnut. It shows the  
3       existing transmission lines that are there now in  
4       the top picture. PG&E currently has an existing  
5       115 kV there running on the left-hand side of  
6       North Avenue, looking east. And on the right-hand  
7       side there's an existing 12 kV. Their plan is,  
8       because it's their line, they will increase the  
9       height of those poles and add the 115 kV line  
10      above the existing 12 kV line on the right-hand  
11      side of North Avenue.

12           That concludes the visual presentation  
13      to introduce the project.

14           HEARING OFFICER WILLIAMS: Can we take  
15      any questions? Does anyone have any questions? I  
16      think we have some new arrivals, too. Would you  
17      like to introduce yourself to us?

18           MS. LANDINA: My name's Angel Landina  
19      from the Malaga County Water District.

20           HEARING OFFICER WILLIAMS: Okay. For  
21      the folks who introduce themselves, if you could,  
22      if you have a business card would you please drop  
23      it off to the court reporter so we can get your  
24      name spelled correctly.

25           I don't see any questions. Any comments

1 at this point on the presentations?

2 (Pause.)

3 HEARING OFFICER WILLIAMS: It would be  
4 very helpful for those who wish to come up and  
5 speak to fill out a blue card with the Public  
6 Adviser. You might have been advised of it when  
7 you came in.

8 MS. KIM: Right, we did.

9 HEARING OFFICER WILLIAMS: Okay. But,  
10 Mr. Dale Fredericks, I guess it is?

11 MR. FREDERICKS: Yes.

12 HEARING OFFICER WILLIAMS: Sir, you can  
13 take a mike and this one right here would be good,  
14 if you like.

15 UNIDENTIFIED SPEAKER: Are you ready for  
16 public comment?

17 HEARING OFFICER WILLIAMS: Yeah, yeah,  
18 we'll take the public comment.

19 MR. FREDERICKS: Do I stand at the end  
20 of the table here?

21 Mr. Williams, Commissioners, Staff, I'm  
22 Dale Fredericks with DG Power, based in Walnut  
23 Creek. My company has been involved in a number  
24 of power plants developed here in California,  
25 permitted some by the Energy Commission, since

1 2001.

2 And I speak today as an independent  
3 power producer interested in this particular  
4 process and project.

5 First of all, I notice that the  
6 application was filed in late November, and  
7 although there appears on the website on January  
8 21's staff data request and applicant responses, I  
9 was unable to download those. And therefore, only  
10 speak based upon the information that I was able  
11 to gather from the application that appeared on  
12 the website originally.

13 I don't know the contents of the staff  
14 requests or the responses that may well be  
15 important. And the contents of either might well  
16 alter my views and tentative comments about the  
17 project. At the moment, there seems to be an  
18 inadequate opportunity to analyze and comment  
19 today at this phase of the hearing on those items.

20 We did ask for some information about  
21 the project previously and I have a copy of a  
22 letter that could be marked as an exhibit today,  
23 if you like. It was a letter sent January 15 to  
24 Mr. Sinor asking for various items of information  
25 about the project. We have not received a



1 response.

2 Turning to the substance of my comments  
3 and concerns, they are several. I can only speak  
4 generally about them today because there is an  
5 inadequate amount of information available to  
6 analyze and go into further detail.

7 The first topic that I would like to  
8 address is water. According to the applicant's  
9 package this project will utilize about 75  
10 acrefeet of water per year. The source of the  
11 water is groundwater, as is true with most fresh  
12 water in the Fresno metropolitan area.

13 We understand that the particular  
14 generation units that came from Williams, through  
15 its settlement with the state, have evaporative  
16 cooling as part of the systems. And that is what  
17 KRCD inherited. However, in the application KRCD  
18 tells us that they are going to replace those with  
19 chillers.

20 Now chillers are basically of two types,  
21 wet or dry. KRCD has evidently chosen to use wet  
22 cooling for the chillers. That is what's going to  
23 use most of the water.

24 I know and I'm sure the staff and  
25 Commissioners know, from other peakers that have

1       been permitted in the last two or three years,  
2       that most of them do not use very much water. An  
3       LM6000, even that is not set up for dry cooling,  
4       will typically use about 3 acrefeet per year. We  
5       wonder why these two use 75. And the answer, of  
6       course, lies in the wet cooling approach to the  
7       chillers.

8               There is an alternative technology that  
9       has quickly become widely accepted. That is  
10      called dry cooling. Dry cooling technology used  
11      for chillers produces approximately zero water  
12      usage for a plant, even a plant ten times larger  
13      than the one proposed here today.

14             Now the applicant, in their papers,  
15      state a conclusion that in terms of water usage  
16      their project will have no significant impact to  
17      local water supplies. I find no evidence or  
18      substantiation for their opinion or conclusion.  
19      In fact, the technology shows the opposite.

20             HEARING OFFICER WILLIAMS: Mr.  
21      Fredericks, let me say this. I don't know if you  
22      were here when I made the comment earlier, but  
23      there is, following the informational hearing,  
24      there is a staff workshop. And staff, of course,  
25      and the applicant will be available to get you up

1 to date with the information, with the materials  
2 that you don't have.

3 MR. FREDERICKS: Fine.

4 HEARING OFFICER WILLIAMS: And will  
5 also, I think, be able to address most of the  
6 areas that you're getting into. It may be better  
7 for you to attend the workshop and address those,  
8 at least the questions that you have, to the  
9 applicant and staff, rather than address them to  
10 the Committee at this point.

11 I don't know why you weren't able to  
12 download the information off the internet, but  
13 certainly the parties are all going to be here  
14 after the informational hearing. I think it would  
15 be a great time for you to get up to speed and  
16 find out where the parties are right now.

17 The --

18 MR. FREDERICKS: That's fine, we'll try  
19 to do that. I'll accelerate, but I want to  
20 highlight some concerns. There are other areas  
21 besides water, but that is a major one, and I  
22 think it was going to be addressed by others here,  
23 as well.

24 Dry cooling is accepted. In fact, this  
25 Commission and its staff, I believe, in the Blythe

1 II project, have come out affirmatively in favor  
2 of and finding that dry cooling is not only the  
3 state of the art, but lower cost in the long term  
4 as opposed to wet cooling.

5 CHAIRMAN KEESE: That's a little  
6 premature. Staff has recommended it. Let me just  
7 mention, the nature -- this is not where we're  
8 going to take testimony. We're not really taking  
9 testimony here. This is an informational hearing.

10 So what I would like, staff has focused  
11 us by telling us these are the issues we see  
12 coming down the line. And then as soon as we're  
13 done here, they're going to discuss them with  
14 anybody who wants to discuss them, water and air  
15 being the principal two.

16 It would be beneficial to us if you  
17 would identify what the issues are. Not  
18 necessarily the solutions, but what the issues  
19 are. That's what we're here to find out. And  
20 then we're going to have the hearings in a couple  
21 months, after you've reconciled with staff,  
22 whether they're with you or against you, and the  
23 applicant, and whoever else wants to intervene.

24 MR. FREDERICKS: Very well.

25 HEARING OFFICER WILLIAMS: I think, you

1 know, it's important that everybody's on the same  
2 page. And to the extent that you don't have  
3 information or you have some questions, I think  
4 it's important that you, for example your letter  
5 to the applicant, you need to get the information  
6 that you need and see where you are so everybody  
7 can be on the same page. I think that's  
8 important.

9 MR. FREDERICKS: Yes, I understand this  
10 is not the last hearing by any means. But,  
11 nonetheless, if permissible, I would like to flag  
12 some issues in general terms so that the  
13 Commissioners are aware and the staff is aware of  
14 them --

15 HEARING OFFICER WILLIAMS: Yeah, and --

16 MR. FREDERICKS: -- on the public  
17 record.

18 HEARING OFFICER WILLIAMS: -- of course,  
19 the air issue has already been flagged, and the  
20 water issue has certainly been flagged in staff's  
21 issues identification report. So, --

22 MR. CASWELL: Can I interject? I do  
23 have hard copies of that information you're  
24 asking. I do have that here. I was going to hand  
25 that out at the workshop.

1 I also have CDs for the application if  
2 someone was unable to download the application  
3 because it's rather large. I had CDs made of that  
4 and have brought those CDs here so that you can  
5 have access to that, as well as -- I do not have  
6 CDs of the data requests and data responses, but I  
7 have hard copies of that, so I could give you than  
8 information.

9 HEARING OFFICER WILLIAMS: Great.

10 MR. FREDERICKS: Well, air is the second  
11 major issue. And I guess we'll get to that, but  
12 it appears from what I can determine from the  
13 initial application, that this applicant does not  
14 attempt to meet the BACT standard of 2.5 ppm NOx  
15 emissions. But its emissions will be somewhat  
16 higher. Whereas all other peakers recently  
17 permitted in the state by the Commission and local  
18 agencies, to my knowledge, have required that one  
19 meet the 2.5 ppm standard.

20 There is a visual issue with 105-foot  
21 stacks which are much higher than any other  
22 similar project that I'm aware of, of this type.  
23 It is unclear to me from the applicant's package,  
24 and maybe I overlooked it, and if so I apologize,  
25 but there are residential areas within roughly a

1 half a mile. They are not shown on the aerial  
2 photo that we saw, but I think there are  
3 residential areas that may be impacted visually by  
4 the project.

5 And an elementary school, or the nearest  
6 schools are not shown in the aerial. I do not  
7 know what the precise distance is, but there may  
8 well be visual as well as air impacts affecting  
9 the nearest school.

10 PRESIDING MEMBER BOYD: Mr. Fredericks,  
11 do you have access to the Public Adviser's  
12 document that is available? The Public Adviser  
13 has a document that describes the sensitive areas  
14 and give us, at least -- she can elaborate on this  
15 -- gives us the distances. I count six schools, a  
16 daycare center, a hospital, et cetera. And we  
17 have detailed data on the distance to the  
18 facility. So I presume that's available to you  
19 and other members of the public.

20 MR. FREDERICKS: It may well be, sir.  
21 When I looked on the web on Saturday it was not  
22 there that I could find, but --

23 PRESIDING MEMBER BOYD: No, I appreciate  
24 that the web didn't work, and I think the  
25 suggestion that you, if you can, that you attend

1 the workshop afterward may help to fill things  
2 out. Mr. Caswell will provide you other  
3 information.

4 But I'm interested in what your concerns  
5 are.

6 MR. FREDERICKS: So I could and I would,  
7 perhaps, at some point go into some of these and  
8 other points in more detail, but as I understand  
9 the process, this is one where applicant bears the  
10 burden of showing that it meets the statutory test  
11 for this Commission to make an exemption  
12 determination.

13 And based on everything that is in their  
14 initial application filing they fall far short of  
15 meeting the burden to prove that there is no  
16 substantial adverse impact on the environment.  
17 And they fall far short of meeting the burden on  
18 them to demonstrate that there is no significant  
19 adverse impact on energy resources.

20 There are, no doubt, many details that  
21 need to get scrutinized, but it was always my  
22 understanding that the applicant, when it filed  
23 the application, not later, but when it filed the  
24 application, had to carry the burden of making  
25 that hurdle. That is, the applicant has the



1 initial burden, upon filing the application for  
2 exemption determination, to come forward with  
3 evidence proving that it meets the test.

4 That you cannot file a barebones  
5 application and then when problems arise in the  
6 public hearing process bolster it later and meet  
7 the test. I do not know if there's any case law  
8 on that, but it seems to be the process and the  
9 procedure. If that is true, then on its face this  
10 application does not meet the statutory standard.

11 HEARING OFFICER WILLIAMS: Well, sir,  
12 just let me say, Mr. Fredericks, that as far as I  
13 know there's no facial test. I mean the purpose  
14 of the process is to determine whether or not  
15 applicant can carry the burden for an exemption.  
16 And, of course, we hold, later down the road,  
17 evidentiary hearings; and we compile an  
18 evidentiary record to make that determination.

19 So, clearly, I would encourage you to  
20 talk to our Public Adviser because it sounds to me  
21 like you probably are an intervenor, or certainly  
22 should consider filing for an intervenor status.  
23 That would allow you to present evidence on your  
24 own, documentary evidence; present witnesses;  
25 receive all the documents in the case; and be a

1 full participant.

2 So, that's something that you probably  
3 want to take a look at and discuss with our Public  
4 Adviser so that you get all the information that  
5 everybody else has. And, you know, you roll in  
6 with everybody else and make your case for or  
7 against the project. So I would encourage you to  
8 do that.

9 MR. FREDERICKS: I'm well aware of that  
10 and would consider it.

11 The standard is one that I am interested  
12 in, namely the standard that applies to this  
13 particular application, because all independent  
14 power producers believe, I think, that everyone  
15 should live by the same standard and that it ought  
16 to be uniformly applied. And it appears to us  
17 that on the basis of the initial application it  
18 would not meet the standards if data adequacy were  
19 the test, which it is not here.

20 HEARING OFFICER WILLIAMS: The test --

21 MR. FREDERICKS: But something  
22 analogous, we think, is intended to be the test by  
23 the nature of the exemption process.

24 HEARING OFFICER WILLIAMS: All right.

25 MR. FREDERICKS: Thank you.

1 HEARING OFFICER WILLIAMS: Okay, are  
2 there any other comments? Do we have anybody else  
3 who would like to come forward and make -- Mr.  
4 Sarvey, I think you had a -- didn't you have  
5 something to offer?

6 MR. SARVEY: Not yet.

7 HEARING OFFICER WILLIAMS: Okay.

8 PRESIDING MEMBER BOYD: Mr. Williams,  
9 could I ask a question of the applicant?

10 HEARING OFFICER WILLIAMS: Sure.

11 PRESIDING MEMBER BOYD: Your  
12 presentation and the submittal to the Commission  
13 makes reference to you having a contract for up to  
14 2500 hours with the State of California Department  
15 of Water Resources for this energy.

16 MR. SINOR: Yes.

17 PRESIDING MEMBER BOYD: Do you have any  
18 thoughts or intentions of running the plant more  
19 than 2500 hours a year?

20 MR. SINOR: Under the terms of our power  
21 sale contract with the state they make that  
22 determination on the hours that we have requested  
23 that, and that is what they've come back with.  
24 Our permits for air and so on are based on the  
25 operating hours that they wish to dispatch the

1 plant. So it's set --

2 PRESIDING MEMBER BOYD: So your air  
3 permit will limit you to the hours that --

4 MR. SINOR: That's correct.

5 PRESIDING MEMBER BOYD: -- the 2500 hour  
6 max?

7 MR. SINOR: That's correct.

8 PRESIDING MEMBER BOYD: So you won't be  
9 in the merchant energy generation.

10 MR. SINOR: Not at all. In fact, to go  
11 a step further, under the terms of our power sale  
12 contract the output of our plant will solely go  
13 completely to the state. We have no marketing  
14 ability to -- we have no plans to sell it on the  
15 Cal-ISO market or anything else. It's a nonprofit  
16 situation with our contract with the state. We  
17 completely sell the power to them at no profit to  
18 us, and they get it at cost. And they control the  
19 entire output of the plant.

20 PRESIDING MEMBER BOYD: Thank you.

21 HEARING OFFICER WILLIAMS: Okay. Now,  
22 after today, again, staff will be conducting a  
23 workshop following this informational hearing.  
24 And, of course, applicant, everybody will be here.

25 But after today the Committee will be

1       issuing a scheduling order no later than February  
2       10. And staff has showed their schedule on the  
3       overhead, and the Committee's schedule will likely  
4       follow that fairly closely. And it's contained in  
5       the materials that were passed out. So that will  
6       give you some idea of how fast the project will be  
7       moving along.

8               So, again, you know, I would encourage  
9       those who are interested in participating to get  
10      on board and get involved now, because it will be  
11      moving pretty fast.

12             Okay. Staff, do you have anything  
13      further on the schedule that you would like to  
14      highlight?

15             MR. CASWELL: I might mention on the  
16      schedule, and I didn't go through over every item.  
17      Again, there's copies of this issue identification  
18      with the schedule attached to it outside. I  
19      didn't know there would be this many people  
20      attending, so I did not make enough copies to go.  
21      So if you don't need one, you're part of the  
22      applicant's group or part of my group, please  
23      don't take one. I can send that to Jack, and Jack  
24      does have that. Leave those copies available for  
25      the public.

1           But I also have these data requests and  
2           issue identification -- they're going to make more  
3           copies, if you'd like one -- issue identification,  
4           or the data requests and data responses. I have  
5           copies of that for this workshop.

6           I would like to point out here, though,  
7           on this schedule that staff is intending to  
8           publish a final -- actually a draft initial study  
9           on February 11th. Shortly after filing this draft  
10          initial study we'll hold a workshop so you can  
11          make comment on the views of staff's analysis.  
12          This is separate from the Committee's process;  
13          purely workshops related to staff's analysis.  
14          That's a very important date so that you'll  
15          remember, I will get you a copy of that draft  
16          initial study and you will be notified about that  
17          workshop so you can attend to see if we're on the  
18          same page as you, or on an entirely different  
19          page.

20          We also are, right now, and we don't set  
21          the schedule, the Committee sets the schedule,  
22          this is our suggestion. We also have one for  
23          issuance of a final initial study by March 10th.

24          This is a short process, about 135 days  
25          to do this SPPE process. So, it would be wise to

1 contact the Public Adviser if you want information  
2 and documentation of things that have gone on  
3 already, and if you would like to be issued  
4 documents that are about to be published. And  
5 then I can help Margret with that, and we'll make  
6 sure you get these things. But, again, it's a  
7 short process.

8 HEARING OFFICER WILLIAMS: I think one  
9 thing that would be helpful, too. You mention in  
10 your report that you will be filing a status  
11 report during the first week of February.

12 MR. CASWELL: Correct.

13 HEARING OFFICER WILLIAMS: I think it  
14 would be a good idea for you to file a joint  
15 status report with the applicant the first week of  
16 every month until we get to the evidentiary  
17 hearing.

18 MR. CASWELL: We can do this.

19 HEARING OFFICER WILLIAMS: Okay. I  
20 think that's going to be important for the  
21 Committee to follow the status. And we'll make  
22 that a requirement in our scheduling order, that  
23 those status reports be filed during the first  
24 week of every month up through the evidentiary  
25 hearing on this matter.

1           And, also, Mr. Fredericks, I would  
2       encourage you to talk to the applicant's attorney  
3       who is here. Mr. Tiedemann, sir, Mr. Fredericks,  
4       he's there, too. And it sounded as if you perhaps  
5       had some legal questions. Also, Ms. Lisa DeCarlo,  
6       staff's attorney, is present, as well. So I would  
7       encourage you to talk to those two attorneys to  
8       get a feel for some of the legal questions that  
9       you have, as well.

10           Okay. All right, then, that really is  
11       pretty much going to tie it up for the  
12       informational hearing. Unless we have some  
13       further questions, then I think we should move out  
14       and let the parties get together on the workshop  
15       and answering any other questions.

16           Appreciate everyone today, appreciate  
17       you coming out. And I encourage you to stick  
18       around for the workshop if you have other  
19       questions. And, again, thanks very much.

20           We're adjourned.

21           (Whereupon, at 3:04 p.m., the  
22       proceedings were adjourned.)

23           --o0o--



## CERTIFICATE OF REPORTER

I, JAMES RAMOS, an Electronic Reporter,  
do hereby certify that I am a disinterested person  
herein; that I recorded the foregoing California  
Energy Commission Informational Hearing; that it  
was thereafter transcribed into typewriting.

I further certify that I am not of  
counsel or attorney for any of the parties to said  
hearing, nor in any way interested in outcome of  
said hearing.

IN WITNESS WHEREOF, I have hereunto set  
my hand this 2nd day of February, 2004.

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